

WHITE PAPER:

Changing IT Suppliers: In-House or Outsource?

Many small business owners struggle not knowing when the right time is to change IT suppliers. You know that you have outgrown your current IT supplier and you need to make a critical decision to either change suppliers or hire someone and bring your IT solutions in-house but you have a lot of questions. Which is the right choice? What factors should you consider? How will the transition work?

Introduction

Running a small business can be an arduous task. You have everything to worry about—staffing issues, production problems, operational concerns, and sales and marketing struggles. I know, I run a small business just like you.

Compared to yours, however, my business is probably a lot easier to run. That's because I help my small business customers run their businesses more efficiently by handling all of their technology needs. It doesn't matter if they are a medical office or a law firm or a restaurant or a manufacturing company—we handle their IT needs so they can focus on running their business. That's what we do.

Before we started working with our customers, many of them faced a very similar situation: they had outgrown their previous IT service provider and they struggled with what to do next. They knew they needed to make a change, but they had a lot of questions, including:

- Should I hire an IT person or try to find another supplier that could better meet my needs?
- If I hire someone, how do I manage him or her? What do I pay the person? How do I know that I am hiring the right person?
- If I look for another IT company, what do I look for? How do I find the right IT company? How will this new company become familiar with my systems?

Can you relate to this situation? Have you ever asked yourself some of these same questions? If so, I urge you to continue reading.

We have prepared this document to help our new customers deal with this exact situation and since they all seemed to appreciate and benefit from the information, we decided to share it with others in the hope that they might also find it to be a good resource.

“I think I have outgrown my current IT supplier.”

This is a very typical scenario. You may have started using an individual or a small IT company several years ago when your IT needs were more basic. Now that your business has grown, you've probably become more dependent on technology and you are questioning whether your current IT supplier has the know-how, expertise, training, and tools to handle all of your needs.

Chances are if you are questioning it, then you probably already know the answer and you more than likely have indeed outgrown this person or company's level of capability.

Not all small businesses are created equal. If you run a business that is dependent on technology, then you need a company that is able to react quickly and be proactive to help you avoid problems in the first place. You need more than a “repair” person—you need someone who has a broad knowledge about current IT solutions, access to depth of IT expertise and, most importantly, you need someone who will give you advice.

Is your existing IT infrastructure suitable to meet your business objectives? When was the last time you did a complete security audit to ensure that you had the right firewall and protection. Are you sure that you are compliant when it comes to the latest regulations?

Are you backing up your data? When was the last time you tested your back-up to ensure that it is working properly and able to get you back up and running in the event of a disaster?

And speaking of disaster, do you have an IT disaster recovery plan?

If your current supplier is not talking to you about these important topics then you probably need a new supplier. Transitioning to a new IT supplier does not need to be difficult or painful. Read on for more information on the topic of transitioning.

“I don’t think my current IT supplier has the latest technologies.”

Technology is ever-changing and it can be challenging to stay on top of the latest and most effective technology solutions. I am part of a nationwide network of technology companies and through this affiliation, I have a team of IT professionals behind me that ensures that I have the latest tools and solutions to offer to my customers. If your current supplier is not affiliated with a bigger organization and is attempting to stay on top of all the changes in technology on their own, then chances are they are not up to speed on the latest offerings and are not able to provide you with the most current solutions.

Here is a quick way to find out if your current supplier is up-to-speed on some of the latest technology trends: if your current IT provider is still waiting for you to have a problem before they come out and fix it, then they are definitely not using the latest technologies that are available to help keep your systems up and running 24/7. Reacting to problems still exists but your current IT provider should be suggesting ways to help you avoid downtime from happening in the first place.

If you are dependent on technology to run your business and your current supplier is not providing you with affordable, proactive solutions—then chances are they are not offering the latest technologies and you should consider looking at another supplier who has access and knowledge about the most current tools and solutions.

“I think I need to hire an IT person, but I’m not sure who to hire and how to find the right one. What should I pay them?”

Good questions and valid concerns. A non-IT person managing an IT person is typically very difficult. Hiring can be a challenge since you need to simply trust that the person does know everything they state on their resume. Quite often, once the IT person is hired, the non-IT manager does not know whether the IT person is giving them the right advice. They don’t know if they are actually more vulnerable to security issues and problems than they were before the IT person was hired.

When a small business hires an in-house IT person, quite often the company becomes very dependent on this person and management may even feel as though the company is being held hostage by this IT person who has become the keeper of all information. If the IT person gets sick or takes a vacation, you are left without support. And if they leave, you are really left in a lurch. You don't have any back-up contingency plan and this can have a major impact on your business.

Additionally, having a full-time IT person on your staff is a fixed expense, and a fairly significant one. Regardless of your needs—you have this salary and other ancillary costs to bear month after month. When you have an IT person on staff, you can only hope that this person has all the solutions. You must hope that he or she is keeping up on all the latest technologies and offering you the best advice and solutions to meet your ever-changing IT needs.

However, having a full-time IT person on staff does make sense for some companies. If a company has a significant amount of day-to-day needs and support concerns with staff, then quite often keeping a lower-level IT person on staff might make a lot of sense. That person will likely be responsible for ordering IT supplies, maintaining printers, solving basic networking problems and putting out other "IT fires." Typically, the in-house IT person is dealing with very tactical issues and is not a strategic IT person that is helping to determine the next wave of technology solutions the company may need to meet their business goals, or determine a disaster recovery plan, or ensure that the firewall and other security aspects of the company are being properly maintained.

If that is the case and you do need an IT person to help address the day-to-day reactive tactical issues your company faces, then you should bring a lower-level tactical IT person on board. However, be sure to also determine who you need to partner with for the higher level more strategic aspects of your IT systems. Remember, don't get yourself in the situation where you are being held hostage by an IT person.

"I need a new IT services company but don't know where to find them and am concerned about a transition plan."

This is another very commonplace scenario that many small businesses face every day. Think about all of your current suppliers and you will probably realize that you found most of the best ones through referrals. You asked someone that you knew and trusted for the name of someone they enjoyed working with and someone who was doing a good job for them. You will likely find your next IT supplier through similar means. The majority of our new customers find out about us from one of our current customers.

When you switch IT suppliers, ask them to develop a transition plan that will help you understand how they will come up to speed and learn about your IT needs and ensure a smooth transition from the current supplier. This is a fair and reasonable request and if the company is not able to access your current systems, then this should be a "red flag" that perhaps this is not the right supplier for you. You should never "wing" an IT transition. Regardless of the size and needs of your company,

you still need to have a well-thought-out transition plan that identifies how the new supplier will understand current needs and make any recommendations on how to get your systems running more smoothly.

Summary

Change is rarely easy. A change in personnel is oftentimes disruptive to your business. Changing your operating systems can cause hiccups and confusion for staff and might have a negative impact before the positive impact can happen. Changing suppliers can also be difficult.

If you need to make the change, however, make it. Putting it off rarely is the right answer. Consider your options, do your homework, talk to people you know and trust, and try to align yourself with the right information and resources.

If you have questions or concerns about any of the information covered here, please contact us. We are happy to help you.

For help with your changing IT suppliers, contact your local TeamLogic IT office.

TeamLogic IT is a national provider of advanced IT management services for businesses. With locations across the U.S., TeamLogic IT provides managed services, computer consulting and support services focused on helping companies minimize downtime and improve productivity. TeamLogic IT helps businesses compete better through the effective use of information technology.